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FINANCING OF THE ACTIVITIES ARISING FROM SECURITY COUNCIL RESOLUTION 687 (1991): UNITED NATIONS IRAQ-KUWAIT OBSERVATION MISSION

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions considered the report of the Secretary-General on the financing of the United Nations Iraq-Kuwait Observation Mission (UNIKOM) (A/50/892) for the period from 1 July 1996 to 30 June 1997; in section I of its resolution 49/233 A of 23 December 1994, the General Assembly established a new financial period covering 12 months, beginning on 1 July of one year and terminating on 30 June of the following year. During its consideration of the report the Advisory Committee met with representatives of the Secretary-General.

2. As indicated in the introduction to the Secretary-General's report, UNIKOM was established by the Security Council in accordance with its resolution 687 (1991) of 3 April 1991. In its resolution 689 (1991) of 9 April 1991, the Council decided to review the question of the termination or continuation of UNIKOM as well as its modalities of operation every six months. The latest review was undertaken in April 1996; by a letter dated 4 April 1996 (S/1996/247), the President of the Security Council informed the Secretary-General that the members of the Council concurred with his recommendation that UNIKOM be maintained and that the Council would review the question again by 4 October 1996.

3. The political mandate and operational plan and requirements are outlined in paragraphs 5 to 10 of the Secretary-General's report and information on the financial administration is given in paragraphs 11 to 15.

4. The General Assembly, in its resolution 48/242 of 5 April 1994, expressed its appreciation to the Government of Kuwait regarding its decision to defray two thirds of the cost of UNIKOM effective from 1 November 1993; since then,

two thirds of the costs of UNIKOM have been met by voluntary contributions from the Government of Kuwait. Total resources made available to UNIKOM from inception on 3 April 1991 to 30 June 1996, as reflected in paragraph 12 of the report, amount to $355,877,000 gross (including voluntary contributions of $110,945,600 from the Government of Kuwait), while total expenditure amounts to $313,403,233. Detailed information in that regard is provided in annex V to the report. Voluntary contributions from the Government of Kuwait are listed in paragraphs 14 and 15 of the report.

5. In addition to the information provided in the Secretary-General's report with regard to the status of assessed contributions, the Advisory Committee notes that, as indicated in the Secretary-General's report to the Security Council of 1 April 1996 (S/1996/225, para. 14) at the end of February 1996, unpaid assessed contributions to the Special Account for UNIKOM for the period since its inception through 30 April 1996 amounted to $28,822,142.

6. The Secretary-General's report indicates that the estimated amount required for maintenance of UNIKOM for the 12-month period would be $57,804,400 gross ($55,467,000 net). This has been calculated on the basis of the Mission consisting of 255 military observers, 904 troops (775 infantry and 129 support personnel) supported by a civilian establishment of 256 (82 international and 174 local).

7. In this connection, the Advisory Committee notes that in his report to the Security Council (S/1996/225), the Secretary-General stated that in the interest of economy and efficiency the number of military observers would be reduced by about 50: from 245 (the current number on board) to 195. The reduction would involve positions at the Mission and sector headquarters, as well as the patrol bases, and that one sector headquarters would be eliminated entirely, leaving two sectors instead of three. On inquiry the Advisory Committee was informed that it was proposed to reduce the number of military observers in phases commencing some time in August 1996, with the second phase planned for December 1996 and finalized by April 1997.

8. The Advisory Committee was informed that, owing to the changes in the rates for mission subsistence allowance, there would also be a reduction in overall requirements for military as well as civilian personnel costs. On inquiry, the Advisory Committee was informed that the mission subsistence allowance was previously $115 per day for the demilitarized zone and for Kuwait City and $125 per day for Baghdad. The new mission subsistence allowance rate was $90 per day for the demilitarized zone, $75 per day for Kuwait City and $125 per day for Baghdad.

9. The Advisory Committee requested and received additional information on the reduction in the number of military observers, including the impact of the reduction on a number of services, such as the size of the civilian component of the Mission, premises and accommodation, transport and air operations and related costs, communications and other supplies and services.

10. In response to its request the Advisory Committee was informed that the total reduction in the estimates now possible for the 12-month period commencing 1 July 1996 amounted to $7,059,000 gross ($6,792,500 net). The Advisory

Committee was provided with a statement showing reductions in the various items of expenditure (see annex).

11. The revision in the cost estimates for civilian personnel provides for 15 fewer posts (2 General Service, 9 Field Service, and 4 Local Level). The number of international staff would be reduced from 82 to 71 (13 Professional, 19 General Service and 39 Field Service) and 170 Local Level. As can be seen from the annex, there is also a related reduction in contractual services as well as under staff assessment as a result of the reduction in the number of international staff.

12. With regard to the reduction in the estimates for rations, the Advisory Committee was informed that the revision in the cost estimates was due to the lower requirements for bottled water as a result of the reduction in the number of international posts. On inquiry, the Advisory Committee was informed that provision for bottled water was made for both military and civilian personnel.

13. The Advisory Committee inquired about the non-recurrent estimates for alterations and renovation of premises ($300,000) and construction/prefabricated buildings ($326,000) indicated in annex I and annex II.C and II.D of the Secretary-General's report; the Advisory Committee was informed that those estimates were for new projects and were not related to the projects during the previous financing period for construction of facilities for the Support Centre in Kheitan.

14. The Advisory Committee recalls that during its examination of the financing of UNIKOM for the period from 1 July 1995 to 30 June 1996 it was informed that the decision to consolidate the UNIKOM offices and other facilities within the Support Centre in Kheitan had been made in order to improve and facilitate coordination of all UNIKOM administrative and logistics operations in Kuwait. The consolidation at the Support Centre also eliminated travel time between the former three locations, thus reducing costs in view of the consolidation of the communications systems, transport costs and administrative support services (see A/49/902).

15. With regard to transport operations, the Advisory Committee was informed that the vehicle establishment of 470 would be reduced by 56 to 414, including a reduction of 30 contingent-owned special-purpose vehicles. While the 30 contingent-owned vehicles have been removed from the establishment and put on reserve, reimbursement for depreciation continues. However, the revised estimates for spare parts, repairs and maintenance, petrol, oil and lubricants, and vehicle insurance provide for 414 vehicles but not for the 30 contingent-owned vehicles put on reserve. The revised estimates also provide for the replacement of eight land cruisers; in addition, two fuel trucks are proposed to be brought in from Brindisi.

16. The Advisory Committee points out that the usual provision for payment to the support account for peace-keeping operations has not been included in the report. The Advisory Committee notes that the Secretary-General proposed a new funding mechanism in his report of 29 February 1996 (A/50/876). The Advisory Committee was informed that, had provision been included in this budget for the period from 1 July 1996 to 30 June 1997, it would have amounted to $1,271.

17. The Advisory Committee recommends that the General Assembly take the following action in connection with the financing of UNIKOM, as indicated in paragraph 26 of the Secretary-General's report:

(a) The appropriation of the amount of $18,119,000 gross ($15,941,000 net) for the period from 1 July 1995 to 30 April 1996, authorized and assessed on Member States in accordance with General Assembly resolution 49/245;

(b) The appropriation of the amount of $3,623,800 gross ($3,188,200 net) for the period from 1 May to 30 June 1996, to be assessed on Member States subject to the review by the Security Council with regard to the question of termination or continuation of UNIKOM;

(c) A decision to credit Member States the unencumbered balance of $6,917,700 gross ($7,816,700 net) for the periods ending 31 October 1993;

(d) The approval of an amount of $50,745,400 gross ($48,674,500 net), bearing in mind the Advisory Committee's observations in paragraphs 8 to 10 above, for the maintenance of the Mission for the 12-month period from 1 July 1996 to 30 June 1997, inclusive of the two-thirds portion equivalent to $32,449,700, to be funded from voluntary contributions from the Government of Kuwait;

(e) The appropriation of the amount of $18,295,700 gross ($16,224,800 net), for the 12-month period beginning 1 July 1996, representing one third of the approved cost of the maintenance of the Mission, to be assessed at the monthly rate of $1,524,642 gross ($1,352,067 net), subject to the review by the Security Council with regard to the question of termination or continuation of UNIKOM.

ANNEX

Reduction due to the streamlining of military observers, taking into account the changed rates of mission subsistence allowance

(United States dollars)

	Budget estimate (1)	Revised estimate (2)	Difference (3) (2) - (1)
1. Military personnel costs			
(a) Military observers			
Mission subsistence allowance	10 780 600	6 825 600	(3 955 000)
Travel costs	1 020 000	880 000	(140 000)
Clothing and equipment allowance	51 000	41 300	(9 700)
Subtotal	11 851 600	7 746 900	(4 104 700)
(b) Military contingents			
Rations	2 637 400	2 607 400	(30 000)
Total, line 1	14 489 000	10 354 300	(4 134 700)
2. Civilian personnel costs			
(b) International and local staff			
International staff salaries	4 280 000	3 549 600	(730 400)
Local staff salaries	3 525 400	3 646 400	121 000
Common staff costs	4 160 700	3 603 100	(557 600)
Mission subsistence allowance	2 941 700	2 141 400	(800 300)
Total, line 2	14 907 800	12 940 500	(1 967 300)
5. Transport operations			
Purchase of vehicles	628 000	214 000	(414 000)
Spare parts, repairs and maintenance	1 191 300	1 042 700	(148 600)
Petrol, oil and lubricants	835 500	750 600	(84 900)
Vehicle insurance	190 000	167 900	(22 100)
Total, line 5	2 844 800	2 175 200	(669 600)
10. Supplies and services			
(a) Miscellaneous services			
Contractual services	670 000	649 100	(20 900)

	Budget estimate (1)	Revised estimate (2)	Difference (3) (2)-(1)
19. Staff assessment	2 337 400	2 070 900	(266 500)
Total, gross	35 249 000	28 190 000	(7 059 000)
20. Income from staff assessment	(2 337 400)	(2 070 900)	266 500
Total, net	32 911 600	26 119 100	(6 792 500)